



Meeting Date: Nov. 1, 2022

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services
Brad Boland, AICP, Long Range Project Manager

Title: **Update: Residential Unit Data (through September 30, 2022)
with Potential Buildout Estimates**

Executive Summary

The purpose of this quarterly residential unit data update is to provide an overview of development activity and estimated population projections. This update includes data through the third quarter of 2022, ending on September 30, 2022. The data outlines the maximum zoning entitlements and growth areas approved by Council and provides an update on the pace of activity in each area of Town. The current estimates show an approximate population of 79,760 through June 30, 2022, which is an increase of about 2,120 persons that was reported through the previous quarter. The increase in reported residents comes from two components. There were 229 additional single family and 45 multi-family homes receiving certificates of occupancy within the third quarter of 2022, which resulted in 786 new residents. Staff reconciled the Units Built for multi-family and discovered that four multifamily projects that received CO's from the 1st quarter of 2020 through the 1st quarter of 2022 were not accounted for. The four projects totaled 667 units and 1,334 residents. Staff continues to update the potential buildout estimates as more information becomes available. The potential high and low buildout calculations provide more realistic unit and population estimates to aid in planning for future Town resources.

Discussion

Castle Rock, through most of its history, is a growth community. The growth we are experiencing is consistent with residential and commercial building activity across the Front Range and throughout the State of Colorado. Therefore, the pace of growth is an ongoing discussion. Growth in Castle Rock remained steady for 100 years between its founding in 1881 and 1980 when it grew from an original population of 88 to approximately 4,000 residents. Castle Rock did not see significant residential growth after WWII, a trend common among other Front Range communities. Instead, the opening of the Outlet Mall in 1992 coincides with an increase in the residential growth rate that continues today. The population more than doubled between 1990 and 2000

when it grew from approximately 8,000 residents to more than 20,000 residents. The population doubled again through 2010 when it reached approximately 49,000 residents and continues to grow with the current population estimated at approximately 82,000 residents as of September 30, 2022.

Castle Rock's growth rate over the past 20 years has generally exceeded the economic conditions regionally and nationally. Given the pace of growth to date, data shows that existing larger planned communities such as Meadows, Founders, Castle Oaks / Terrain, and Crystal Valley Ranch have taken decades to reach this point in development. Predicting the pace of growth is difficult because it is influenced by many factors, most notably the economy, interest rates, the homebuilding market, topography and soil conditions as well as political decisions related to development regulations.

The data outlined herein provides information through the third quarter of 2022. The analysis compares the maximum number of zoned residential units to the number of units that received a certificate of occupancy. Zoning entitlements can be amended and home building is on-going. Therefore, this report is updated quarterly to provide information to Town Council and our residents.

Development Types and Impacts

The Town's existing zoning entitlements include approximately 130 planned developments (PD) and associated PD amendments. The Town consists of very few "straight" zoned areas such as R-1 Single-Family Residence District. Single family 58+ Built Units (CO). Through this work it was determined that four projects had not been accounted for in Built Units count which as a result also were not included in the estimated population. The four projects were the Springs at Castle Rocks (Jan. 2021 CO, 204 units), Talus Flats (Sep. 2021 CO, 111 units), Riverwalk (Mar. 2020 and Nov. 2020 COs, 228 total units), and Encore (Jan. 2022 CO, 124 units). The first two projects are located in the Meadows Town Center and the latter two in Downtown. The total number units that were underreported since was 667 units and 1,334 residents. Staff is working to ensure that the reporting process is properly capturing multi-family and mixed use projects when they receive their certificate of occupancy moving forward.

Entitlement Data

Each planned development (PD) on **Table A** shows the PD's name, date of original zoning approval and corresponding PD number depicted on the Town's Zoning District Map to help identify the areas included with the unit counts. The map in **Attachment A** shows the geographic location of each PD area. **Table B** compares estimates since 2017.

Residential areas within the Town that are straight-zoned are primarily located within the downtown and Craig and Gould subdivision, denoted as "Central Castle Rock" in **Table A**. The "Maximum Zoned Units" and "Units Built (CO)" counts were further divided into single family (SF) or multi-family (MF) for each area. The SF numbers

include single family detached and single family attached units, such as townhomes or paired homes. The multi-family numbers include single building attached units such as apartments or condominiums. In several cases, zoning for planned developments allows either single family or multi-family units within a specific planning area. In those situations, the units allowed were assigned to the multifamily category, as this represents the higher entitlement potential. If developed as single family homes, the number of units actually developed would be less.

Table A: Comparison of Maximum Zoned Units to Built Units, through June 30, 2022

Please note that these are estimates, and numbers are subject to change due to factors listed in this memo, as well as any future zoning amendment approvals.

PD #	Planned Developments (year initially zoned)	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
		SF	MF	Total	SF	MF	Total
130	Alexander Place (2020)	26	99	125	0	0	0
5	Arbors (2002)	38	80	80	0	0	0
7,8	Auburn Ridge (2013)	0	286	286	0	186	186
12	Brookwood (2003)	72	0	72	60	0	60
16	Cambridge Heights (2003)	0	100	100	0	0	0
17	Castle Highlands (1984)	132	200	332	127	200	327
19	Castle Meadows* (1989)	0	440	440	0	0	0
3,20,21,22,23,117	Castle Oaks /Terrain (2002)	1992	775	2767	2060	0	2060
25,26,27,28,104	Castle Pines Commercial / Promenade (1987)	0	1410	1410	0	1062	1062
29	Castle Ridge East (1996)	30	0	30	28	0	28
30,31	Castle Rock Estates - Diamond Ridge (1995)	126	0	126	126	0	126
33,87,88,89,90	Castleview Estates - The Oaks of Castle Rock (1985)	248	326	574	235	0	235
34	Castlewood Ranch (1998)	1300	0	1300	1282	0	1282
straight zones, downtown	Central Castle Rock (varies) NO maximum zoning**	1538	3462	5000	1535	1188	2723
40	Covenant At Castle Rock (2014)	58	0	58	58	0	58
42,43,44,45,46	Crystal Valley Ranch (2000)	2670	753	3423	2412	0	2412

PD #	Planned Developments (year zoned)	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
		SF	MF	Total	SF	MF	Total
47	Dawson Ridge*** (1986)	2447	5453	7900	0	0	0
52,9	Founders Village - Inc. Founders 24 and Bella Mesa (1985)	2776	2905	5681	2571	0	2571
54,55	Hazen Moore (2000)	243	0	243	161	0	161
56,57	Heckendorf Ranch (1985)	406	224	630	299	0	299
59	Hillside (2009)	120	0	120	0	0	0
118	Lanterns (2003)	1200	0	1200	222	0	222
62	Liberty Village (2004)	1245	0	1245	1077	0	1077
63,64,65	Maher Ranch (1988)	923	100	1023	770	96	866
70,72,73,74	Meadows (1985)	6867	4002	10869	7181	555	7736
75	Memmen Young Infill (1985)	559	476	1035	0	0	0
76,77,78,79,80	Metzler Ranch (1996)	1037	660	1697	741	580	1321
97,98,99,101,103	Plum Creek (1983)	3025	0	3025	1189	360	1549
100	Plum Creek Ridge (2006)	92	70	162	120	0	120
102	Plum Creek South (1985)	307	198	505	137	0	137
106,107,108	Red Hawk (1996)	660	268	928	815	0	815
129	Ridge Estates (2020)	52	0	52	0	0	0
110,111	Scott II (1987)	85	220	305	78	220	298
113	Sellers Landing PD (1982)	0	94	94	0	77	77
115	Stanbro PD (1987)	32	92	124	0	0	0
119	Villages at Castle Rock / Echelon (1981)	12	542	542	0	0	0
121	Wolfensberger - formerly Graham PD (1996)	0	56	56	0	56	56
122,123,124,112	Woodlands - Inc. Scott Ranch (1983) Woodlands Crossing (1987)	990	0	990	537	0	537
125,126	Young American (1983)	78	1138	1216	375	186	561

		MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
		SF	MF	Total	SF	MF	Total
TOTAL UNITS		31,386	24,429	55,777	24,196	4,766	28,962
POPULATION ESTIMATES		95,413	48,858	144,271	72,348	9,532	81,880

*Castle Meadows does not have a maximum cap in the zoning, however 440 MF units was listed in the most recent traffic study for this property. This property could develop with more or less residential units.

**Central Castle Rock includes straight zoned land as R-1, R-2, R-3, and B zone areas in the Downtown Overlay that allow multifamily. There is no maximum cap in the zoning, so land area and typical densities have been used to determine the area could develop out at 5,000 units.

*** Dawson Trails rezoning was approved by Council in the 3rd Quarter of 2022 (formally Dawson Ridge). As this report is through September 30, 2022, the Dawson Trails zoning documents had not been recorded, therefore the Dawson Ridge numbers are shown. Once the zoning documents have been recorded the report will be updated to reflect the new Dawson Trails zoning.

Table B: Total Estimates Comparison

End of Year	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
	SF	MF	Total	SF	MF	Total
2017 units	31,744	22,800	54,544	19,444	3,328	22,772
2017 population estimates	96,502	45,600	142,102	57,902	6,656	64,558
2018 units	31,744	22,800	54,544	20,498	3,828	24,326
2018 population estimates	96,502	45,600	142,102	61,106	7,656	68,762
2019 units	31,744	22,924	54,668	21,479	3,924	25,403
2019 population estimates	96,502	45,848	142,350	64,089	7,848	71,937
2020 units	31,770	23,162	54,932	22,438	4,001	26,439
2020 population estimates	96,581	46,324	142,905	67,004	8,002	75,006
2021 units	31,710	23,204	54,876	23,439	4,001	27,409
2021 population estimates	96,398	46,408	142,806	70,047	8,002	78,049

End of Quarter 2022	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
	SF	MF	Total	SF	MF	Total
1st Quarter 2022 units	31,710	23,204	54,876	23,674	4,001	27,675
1st Q population estimates	96,398	46,408	142,806	70,761	8,002	78,763
2nd Quarter 2022 units*	31,386	24,429	55,777	23,967	4,054	28,021
2nd Q population estimates	95,413	48,858	144,271	71,652	8,108	79,760
3 rd Quarter 2022 units**	31,386	24,429	55,777	24,196	4,766	28,962
3rd Q population estimates	95,413	48,858	144,271	72,348	9,532	81,880

*Maximum Zoned Unit data was thoroughly reviewed and corrections made for 2nd quarter 2022, resulting in a reporting of 1.6% higher overall entitlements for the Town than previously reported.

** Units Built (CO) was thoroughly reviewed and corrections were made to include four multi-family projects that received CO between 1st Quarter 2020 through 1st Quarter 2022 totaling 667 multi-family units that had not been accounted for previously.

Qualifiers

The data contained within **Table A** includes qualifiers, which can sometimes be difficult to predict. In some developments there is no land available to construct additional units. Examples include:

- Castle Highlands was zoned/entitled for 490 residential units in 1984. The existing number of platted lots and constructed homes is 422 with little land remaining to build the remaining homes allowed per the zoning entitlement.
- Memmen Young Infill was zoned/entitled for 1,035 residential units in 1985. The site includes severe topography, cap rock and areas that are subject to the Skyline/Ridgeline Ordinance, making it unlikely to reach full buildout.

The timing of these and other developments is unknown. Market conditions and site conditions impact development which may result in a reduction of unit counts at final development.

Several of the master planned communities have vesting rights while others do not. Some of the planned communities have vesting rights that have expired, but that does not allow for a significant change because all developments include legal agreements with the Town, referred to as Development Agreements (DA's,) that specifically outline required improvements and timing for those improvements. The agreements are a contract between the Town and the owner that would be difficult to eliminate even though the vesting expired.

Based upon review of historical data and updated data contained herein, staff noted that several themes emerged:

- Because changing market conditions result in adjustments throughout the lifetime of a development, we cannot predict a precise build-out number or year on larger planned developments or the community as a whole.
- We cannot show a reduction to the entitled number of units unless the development team requests a rezone to reduce the unit count.
- We can accurately outline known circumstances, meaning we can identify the difference between maximum entitled unit counts and the total platted lot counts, where no additional lots can be constructed, and make estimates for the “realistic” potential buildout.
- We can update the data with new information to determine how local trends are effecting the pace and location of growth in the community.

Potential Buildout Estimates

Because of the many qualifiers associated with the maximum zoned units versus units built calculations, staff analyzed the zoning entitlements further for each planned development zoning area. Staff evaluated the potential buildout based on availability of land, site constraints, and overall feasibility of the development to realistically build the total amount of units allowed within each planned development. The high buildout and low buildout potential offers a more realistic range of units for each area when the planned development is fully built (**Attachment B**). While the current maximum units allowed per the zoning entitlements equates to a future Town population of approximately 144,300 persons, a more realistic future population would be closer to 114,000 to 125,000 persons, or about 41,000 to 46,000 total homes.

Findings

The data shows that the Comprehensive Master Plan adopted in 1999 and updated in 2002 and in 2017, was on track with projections that the Town may grow to an estimated 86,000 to 159,000 residents. The Town's current data, through June 30, 2022, is estimating a maximum zoned/entitled population of 144,271 residents. On average, given the amount of land available for development, the likelihood of the larger planned developments reaching the maximum density allowed through entitlements is low because there are a larger number of entitled units remaining than available land to build those units. Potential buildout analysis estimates a more realistic buildout population of 114,000 to 125,000 persons.

The Town of Castle Rock is an attractive community to live, work and play in, and we expect it will continue to attract residential and commercial growth for many years to come.

Attachments

Attachment A: Town of Castle Rock PD Zoning Map

Attachment B: Unit Data through September 30, 2022 with Potential Buildout Chart

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